

Executive Summary – Enforcement Matter – Case No. 47558
Republic Corporation
RN100219997
Docket No. 2013-1670-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Republic Industries, 1400 Warren Drive, Marshall, Harrison County

Type of Operation:

Cabinet part manufacturing business

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: February 7, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$10,688

Amount Deferred for Expedited Settlement: \$2,137

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$1,276

Total Due to General Revenue: \$3,000

Payment Plan: 3 payments of \$1,000 each

SEP Conditional Offset: \$4,275

Name of SEP: Texas PTA – Texas PTA Clean School Buses

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

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Republic Corporation
RN100219997
Docket No. 2013-1670-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: June 10, 2013

Date(s) of NOE(s): August 7, 2013

Violation Information

1. Failed to submit semi-annual compliance reports for the January 1, 2012 through December 31, 2012 reporting period. Specifically, the Respondent is subject to 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 63, Subpart JJ and submitted the January 1, 2012 through June 30, 2012 report on August 1, 2012, 2 days late. The July 1, 2012 through December 31, 2012 report was submitted on June 11, 2013, 132 days late [30 TEX. ADMIN. CODE §§ 113.340, 116.115(c), and 122.143(4), 40 CFR § 63.807(c)(2), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O-1772, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 1(D) and New Source Review Permit No. 20486, Special Conditions No. 3].
2. Failed to submit the permit compliance certification ("PCC") no later than 30 days after the end of the certification period. Specifically, the PCC for the period of July 1, 2012 through December 31, 2012 was due by January 30, 2013, but was not submitted until June 11, 2013, 132 days late [30 TEX. ADMIN. CODE §§ 122.143(4), 122.146(1), and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O-1772, GTC and STC No. 10].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On August 1, 2012, submitted the semi-annual compliance report for the January 1, 2012 through June 30, 2012 reporting period, for all sources subject to 40 CFR Part 63, Subpart JJ to the TCEQ Tyler Regional Office; and
- b. On June 11, 2013, submitted the semi-annual compliance report for the July 1, 2012 through December 31, 2012 reporting period, for all sources subject to CFR Part 63, Subpart JJ to the TCEQ Tyler Regional Office and the PCC for the certification period from June 1, 2012 through December 31, 2012.

Technical Requirements:

The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)

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Republic Corporation
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Docket No. 2013-1670-AIR-E

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Katie Hargrove, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2569; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565
Respondent: Brian Roper, President, Republic Corporation, 1400 Warren Drive,
Marshall, Texas 75672
Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-1670-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Republic Corporation
Penalty Amount:	Eight Thousand Five Hundred Fifty-One Dollars (\$8,551)
SEP Offset Amount:	Four Thousand Two Hundred Seventy-Five Dollars (\$4,275)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas PTA - <i>Texas PTA Clean School Buses</i>
Location of SEP:	Texas Air Quality Control Region 022 - Shreveport - Texarkana - Tyler

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Texas PTA** for the *Texas PTA Clean School Buses Program* as set forth in an agreement between the Third-Party Administrator and the TCEQ. Specifically, the contribution will be used to reimburse local school districts for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fueled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

b. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions from buses by more than 90% below today's level and by reducing hydrocarbons.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the Agreed Order with the contribution to:

Director of Finance
Texas PTA
7600 Chevy Chase Drive
Building 2, Suite 300
Austin, Texas 78752

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

In the event of incomplete performance, Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

Republic Corporation
Agreed Order - Attachment A

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

DATES	Assigned	12-Aug-2013	Screening	6-Sep-2013	EPA Due	4-May-2014
	PCW	6-Sep-2013				

RESPONDENT/FACILITY INFORMATION

Respondent	Republic Corporation		
Reg. Ent. Ref. No.	RN100219997		
Facility/Site Region	5-Tyler	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	47558	No. of Violations	2
Docket No.	2013-1670-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Katie Hargrove
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$11,250
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	20.0% Enhancement	Subtotals 2, 3, & 7	\$2,250
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Notes: Enhancement for one agreed order with denial of liability.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$2,812
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$69
Approx. Cost of Compliance: \$1,750
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$10,688
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$10,688
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$10,688
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DEFERRAL	20.0% Reduction	Adjustment	-\$2,137
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$8,551
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Screening Date 6-Sep-2013

Docket No. 2013-1670-AIR-E

PCW

Respondent Republic Corporation

Policy Revision 3 (September 2011)

Case ID No. 47558

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100219997

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 20%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one agreed order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 20%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 20%

Screening Date 6-Sep-2013

Docket No. 2013-1670-AIR-E

PCW

Respondent Republic Corporation

Policy Revision 3 (September 2011)

Case ID No. 47558

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100219997

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 113.340, 116.115(c), and 122.143(4), 40 Code of Federal Regulations ("CFR") § 63.807(c)(2), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. O-1772, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 1(D), and New Source Review Permit No. 20486, Special Conditions No. 3

Violation Description

Failed to submit semi-annual compliance reports for the January 1, 2012 through December 31, 2012 reporting period. Specifically, the Respondent is subject to 40 CFR Part 63, Subpart JJ and submitted the January 1, 2012 through June 30, 2012 report on August 1, 2012, 2 days late. The July 1, 2012 through December 31, 2012 report was submitted on June 11, 2013, 132 days late.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

316 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$7,500

Two single events are recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on June 11, 2013, prior to the August 7, 2013 Notice of Enforcement.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$65

Violation Final Penalty Total \$7,125

This violation Final Assessed Penalty (adjusted for limits) \$7,125

Economic Benefit Worksheet

Respondent Republic Corporation
Case ID No. 47558
Reg. Ent. Reference No. RN100219997
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,500	30-Jul-2012	11-Jun-2013	0.87	\$65	n/a	\$65
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to submit the semi-annual compliance reports. The Date Required was the due date for the first report and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$65

Screening Date 6-Sep-2013

Docket No. 2013-1670-AIR-E

PCW

Respondent Republic Corporation

Policy Revision 3 (September 2011)

Case ID No. 47558

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100219997

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4), 122.146(1), and 122.146(2), Tex. Health & Safety Code § 382.085(b), and FOP No. O-1772, GTC and STC No. 10

Violation Description

Failed to submit the permit compliance certification ("PCC") no later than 30 days after the end of the certification period. Specifically, the PCC for the period of July 1, 2012 through December 31, 2012 was due by January 30, 2013, but was not submitted until June 11, 2013, 132 days late.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement is met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

132

Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on June 11, 2013, prior to the August 7, 2013 Notice of Enforcement.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$3,563

This violation Final Assessed Penalty (adjusted for limits) \$3,563

Economic Benefit Worksheet

Respondent Republic Corporation
Case ID No. 47558
Reg. Ent. Reference No. RN100219997
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-Jan-2013	11-Jun-2013	0.36	\$5	n/a	\$5

Notes for DELAYED costs

Estimated cost to submit the PCC. The Date Required was the due date for the PCC and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$5

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN603146820, RN100219997, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN603146820, REPUBLIC CORPORATION **Classification:** SATISFACTORY **Rating:** 2.81

Regulated Entity: RN100219997, REPUBLIC INDUSTRIES **Classification:** SATISFACTORY **Rating:** 2.81

Complexity Points: 7 **Repeat Violator:** NO

CH Group: 14 - Other

Location: 1400 WARREN DRIVE MARSHALL, TX 75672-5893, HARRISON COUNTY

TCEQ Region: REGION 05 - TYLER

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HH0046E

AIR NEW SOURCE PERMITS REGISTRATION 24002

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HH0046E

AIR NEW SOURCE PERMITS AFS NUM 4820300056

INDUSTRIAL AND HAZARDOUS WASTE EPA ID

TXD982813230

STORMWATER PERMIT TXR05W960

AIR OPERATING PERMITS PERMIT 1772

AIR NEW SOURCE PERMITS REGISTRATION 23899

AIR NEW SOURCE PERMITS PERMIT 20486

AIR NEW SOURCE PERMITS REGISTRATION 77827

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE

REGISTRATION # (SWR) 39437

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HH0046E

POLLUTION PREVENTION PLANNING ID NUMBER
P04123

Compliance History Period: September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

Date Compliance History Report Prepared: August 13, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: August 13, 2008 to August 13, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Katie Hargrove

Phone: (512) 239-2569

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 03/20/2010 ADMINORDER 2009-1702-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.146(1)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:PERMIT 1772, O-01772 GTC OP

Description: Failed to certify compliance with the terms and conditions of the permit for at least each 12 month period

following initial permit issuance.

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(B)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:PERMIT 1772, O-01772 GTC OP

Description: Failed to submit a deviation report for at least each six-month period after permit issuance.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

N/A

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
REPUBLIC CORPORATION
RN100219997**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-1670-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Republic Corporation ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a cabinet part manufacturing business located at 1400 Warren Drive in Marshall, Harrison County, Texas (the "Site").
2. The Site consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 12, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Ten Thousand Six Hundred Eighty-Eight Dollars (\$10,688) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Two Hundred Seventy-Six Dollars (\$1,276) of the administrative penalty and Two Thousand One

Hundred Thirty-Seven Dollars (\$2,137) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, including the payment schedule, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Four Thousand Two Hundred Seventy-Five Dollars (\$4,275) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

The remaining amount of Three Thousand Dollars (\$3,000) of the administrative penalty shall be payable in three monthly payments of One Thousand Dollars (\$1,000) each. The next monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall each be paid no later than 30 days following the due date of the previous payment until paid in full. If the Respondent fails to timely and satisfactorily comply with the payments requirements of this Agreed Order, the Executive Director may, at the Executive Director's option, accelerate the maturity of the remaining installments, in which the event the unpaid balance shall become immediately due and payable without demand or notice. In addition, the failure of the Respondent to meet the payment schedule of this Agreed Order constitutes the failure by the Respondent to timely and satisfactorily comply with all the terms of this Agreed Order.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Site:
 - a. On August 1, 2012, submitted the semi-annual compliance report for the January 1, 2012 through June 30, 2012 reporting period, for all sources subject to 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 63, Subpart JJ to the TCEQ Tyler Regional Office; and
 - b. On June 11, 2013, submitted the semi-annual compliance report for the July 1, 2012 through December 31, 2012 reporting period, for all sources subject to CFR Part 63, Subpart JJ to the TCEQ Tyler Regional Office and the permit compliance certification ("PCC") for the certification period from June 1, 2012 through December 31, 2012.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Site, the Respondent is alleged to have:

1. Failed to submit semi-annual compliance reports for the January 1, 2012 through December 31, 2012 reporting period, in violation of 30 TEX. ADMIN. CODE §§ 113.340, 116.115(c), and 122.143(4), 40 CFR § 63.807(c)(2), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O-1772, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 1(D) and New Source Review Permit No. 20486, Special Conditions No. 3, as documented during an investigation conducted on June 10, 2013. Specifically, the Respondent is subject to 40 CFR Part 63, Subpart JJ and submitted the January 1, 2012 through June 30, 2012 report on August 1, 2012, 2 days late. The July 1, 2012 through December 31, 2012 report was submitted on June 11, 2013, 132 days late.
2. Failed to submit the PCC no later than 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 122.146(1), and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O-1772, GTC and STC No. 10, as documented during an investigation conducted on June 10, 2013. Specifically, the PCC for the period of July 1, 2012 through December 31, 2012 was due by January 30, 2013, but was not submitted until June 11, 2013, 132 days late.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Republic Corporation, Docket No. 2013-1670-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 (Jurisdiction and Stipulations) above, Four Thousand Two Hundred Seventy-Five Dollars (\$4,275) of the assessed administrative penalty shall be offset with the condition that the Respondent implements the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or

authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

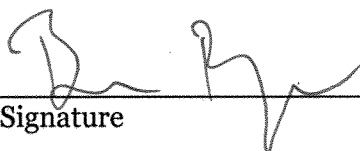
3/6/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

12/19/2013
Date

Brian Rogers
Name (Printed or typed)
Authorized Representative of
Republic Corporation

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-1670-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Republic Corporation
Penalty Amount:	Eight Thousand Five Hundred Fifty-One Dollars (\$8,551)
SEP Offset Amount:	Four Thousand Two Hundred Seventy-Five Dollars (\$4,275)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas PTA - <i>Texas PTA Clean School Buses</i>
Location of SEP:	Texas Air Quality Control Region 022 - Shreveport - Texarkana - Tyler

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Texas PTA** for the *Texas PTA Clean School Buses Program* as set forth in an agreement between the Third-Party Administrator and the TCEQ. Specifically, the contribution will be used to reimburse local school districts for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fueled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

b. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions from buses by more than 90% below today's level and by reducing hydrocarbons.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the Agreed Order with the contribution to:

Director of Finance
Texas PTA
7600 Chevy Chase Drive
Building 2, Suite 300
Austin, Texas 78752

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

In the event of incomplete performance, Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

Republic Corporation
Agreed Order - Attachment A

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.